

SUMMARY

The Office of Natural Gas and Petroleum Import and Export Activities prepares quarterly reports summarizing the data provided by companies authorized to import or export natural gas. Companies are required, as a condition of their authorizations, to file quarterly reports. This report is for the fourth quarter of 1996 (October through December).

Attachment A shows the percentage of takes to maximum firm contract levels and the weighted average per unit price for each of the long-term importers during the five most recent reporting quarters.

Attachment B shows volumes and prices of gas purchased by long-term importers and exporters during the past 12 months.

Attachment C shows volume and price information pertaining to gas imported on a short-term or spot market basis.

Attachment D shows the gas exported on a short-term or spot market basis to Canada and Mexico.

Fourth Quarter Highlights: Canadian imports set a record this quarter at 750.8 Bcf, exceeding the record high previously set in the first quarter of 1995 (731.5 Bcf). Six new long-term Canadian import contracts were activated, totaling 73.5 MMcf per day or 26.8 Bcf annually. Over 75 percent of these new volumes (55.4 MMcf per day) will go to supply three cogeneration facilities. A Brooklyn, New York cogeneration facility will receive 50 MMcf per day under two contracts. Under two separate contracts, Eastern Energy Marketing Company will import 2.7 MMcf per day each for two small cogeneration facilities in Idaho. Under two other contracts, Coastal Gas Marketing Company will import a total of 18.1 MMcf per day for use in sugar refineries in Minnesota and a wet corn milling plant in North Dakota. For the first time since July 1994, PanEnergy LNG Sales, Inc. imported Algerian LNG under its long-term contract into the Trunkline LNG Company facility at Lake Charles, Louisiana. These supplies are resold to Florida Power & Light Company, an electric utility, for use in electric generation.

Fourth Quarter Data: Long-term imports for the quarter totaled 389 Bcf, representing an 8 percent increase over the fourth quarter of 1995. Long-term Canadian imports totaled 374.5 Bcf, which is 6 percent more than the fourth quarter of 1995. The average price of these supplies was \$2.53 per MMBtu, which was 47 cents or 23 percent higher than the preceding quarter. Under other long-term import arrangements, Distrigas Corporation imported 10.1 Bcf of Algerian LNG at an average landed price of \$2.70 per MMBtu and PanEnergy imported 4.4 Bcf of Algerian LNG at \$2.00 per MMBtu.

During the fourth quarter, 103 companies used short-term authorizations to import 381.6 Bcf of gas. This volume remained steady compared to the fourth quarter of 1995, when short-term imports also totaled 381.6 Bcf. Of this total, 376.3 Bcf was imported from Canada at an average price of \$2.04 per MMBtu (compared to \$1.34 per MMBtu in the third quarter), and 2.2 Bcf was imported from Mexico at an average price of \$2.59 per MMBtu. Under short-term LNG import contracts, Distrigas imported 2.4 Bcf from Abu Dhabi and PanEnergy imported 0.7 Bcf from Algeria.

Approximately 41 percent of the short-term Canadian sales were made at Eastport, Idaho, at an average price of \$1.49 per MMBtu; 19 percent at Sumas, Washington, at \$2.09 per MMBtu; 14 percent at Port of Morgan, Montana, at \$2.21 per MMBtu; 11 percent at Noyes, Minnesota, at \$2.60 per MMBtu; 6 percent at Niagara Falls, New York, at \$3.07 per MMBtu; 3 percent at Waddington, New York, at \$2.92 per MMBtu; and 6 percent at various other entry points, at \$2.77 per MMBtu.

In addition, 25 short-term export authorizations were used, exporting a total of 22.4 Bcf of gas. Twelve authorizations were used to export 17 Bcf to Canada, at an average price of \$2.83 per MMBtu. Under 13 authorizations, 5.4 Bcf was exported to Mexico at an average price of \$2.68 per MMBtu.

1996 Highlights: During 1996, total gas imports grew by about 3.5 percent (2,937.3 vs. 2,839.3 Bcf) and total gas exports grew by about 4.4 percent (162.9 vs. 156 Bcf) over the 1995 levels. Imports from Canada grew by 2.4 percent over 1995 levels (2,883.3 vs. 2,814.7 Bcf). Exports to Canada doubled from 29.4 Bcf in 1995 to 61.4 Bcf in 1996 (a 109 percent increase). Imports from Mexico increased by 107 percent in 1996 (13.9 vs. 6.7 Bcf), while exports to Mexico decreased by 44.7 percent (33.8 vs. 61.3 Bcf). LNG imports increased by 124 percent (40.1 vs. 17.9 Bcf). LNG exports to Japan increased by 4 percent (67.6 vs. 65.3 Bcf). LNG was imported from Abu Dhabi for the first time in 1996.

Revisions: Prices for Southern California Edison Company's long-term contracts were revised for 1996. In addition, due to double reporting, the 1996 short-term volumes for Petro-Canada Hydrocarbons, Inc., and Sierra Pacific Power Company were revised.

This quarter's focus report is a review of gas import/export activity for 1996. Next quarter's focus report will go into further detail of 1996's gas trade. The quarterly report and any future revisions to the report will be resident on our Electronic Bulletin Board at (202) 586-7853 or on the Fossil Energy Web Site at <http://www.fe.doe.gov>. Any questions or comments concerning this report should be directed to Yvonne Caudillo at (202) 586-4587 or by E-mail at yvonne.caudillo@hq.doe.gov.